



Trip Report: Visit to Zambia to facilitate and attend a meeting of key representatives of Dar Corridor Interim Committee

Travelers: SMAK Kaombwe, Transport Policy Advisor

Travel Dates: September 4 - 6, 2003

**Submitted by:
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1. Purpose of the Trip

To resolve the issues or reservations raised by Zambia on the Dar es Salaam Corridor Constitution as elaborated in a Ministry of Communications and Transport letter.

2. Location Visited: Lusaka, Zambia, September 4-6, 2003

3. Attendance

A list of participants to the meeting is indicated in Attachment A1. It comprises members of the national committee of Zambia, two representatives of the national committee of Malawi and the Chairperson and secretary of the Dar Corridor interim committee. The Chairperson and secretary also represented Tanzania. USAID/Zambia and RCSA were also represented.

4. Agenda and Program

The meeting had one main agenda item: **to resolve the** issues or reservations raised by Zambia as elaborated in Ministry of Communications and Transport letter as follows:

- (i) Unfair means of raising funds for the committee through tonnage levy (esp. on Zambia copper)
- (ii) levy on users of public transport infrastructure built with public/government funds;
- (iii) effectiveness of the proposed DCC to bring about improvements while operating outside the mainstream government authority;
- (iv) duplication of functions with other regional organs such as SADC and COMESA.

The meeting also considered and made decision and recommendation on the way forward to signing the constitution.

5. Main Highlights of the Outcome of the Meeting

The outcome of the meeting is elaborated in the minutes of the meeting attached hereto as Appendix 2. The main highlights of the agreements reached are:

- (i) The establishment of corridor committees is in compliance with the provisions of the SADC Protocol on Transport, Communications and Meteorology prepared in 1996 and adopted by SADC member states in 1998. The main objective of the Corridor Committees is to create a forum for public/private partnership to expedite removal of barriers to trade and global competitiveness of the corridor countries concerned. The corridor committees are, therefore, expected to add value in terms of reduction of transport costs and transit time.
- (ii) The financing of the Secretariat and corridor committee programs and operations by the Stakeholders will be shared “equitably”. Payment modalities and methods of financing will be addressed by the consultant of the Sustainability Study whose recommendations will have to be discussed and agreed by members as provided for in the Constitution. No fees will therefore be imposed on any member before consultation and agreement.
- (iii) The Draft Constitution was again reviewed and a few minor amendments were made mainly to reflect the agreed principle of equitable financial contributions and two categories of Founding Members: Those who will sign the constitution at a signing ceremony and those who will sign it at the subsequent meeting of the Dar Corridor Committee.

- (iv) Members were requested to table these amendments with their National Committees for final adoption. National Committees were in turn requested to convince their Ministers on the importance of the Constitution.
- (v) The following way forward towards signing of the constitution was adopted:
 - **Sept 5, 2003:** Release Final Draft of the Constitution to the 3 Member countries. (This was done in Lusaka)
 - **Sept 12, 2003:** Feedback to the Secretariat from the 3 Governments on the Revised Draft Constitution.
 - **Sept 17, 2003:** Final Constitution to be released to all members.
 - **Sept 29, 2003:** Meeting of the Dar es Salaam Corridor Committee in Dar es Salaam.
 - **Sept 30, 2003:** Signing Ceremony in Dar es Salaam.

Members were urged to adhere to these dates.

6. Briefing of the Permanent Secretary

A few members comprising the Zambia national coordinator, the Chairperson and secretary of the Dar corridor committee, and representatives from USAID, Zambia, the RCSA and the Hub went to meet Mr. Ignatius Kashoka, Permanent Secretary in the Ministry of Communications and Transport of Zambia for briefing on the deliberations of the meeting.

The Permanent Secretary raised similar questions as discussed at the meeting. The members explained in detail the responses based on the outcome of the meeting elaborated above. The members also referred to the background which led to and guided the drafting and negotiation of the constitution. The Permanent Secretary requested for relevant background material. The Hub and RCSA undertook to provide same through USAID, Zambia.

7. Follow up actions

- The Hub to provide background material, particularly the corridor “backgrounder” and assessment reports, to the Permanent Secretary.
- The Hub to follow up implementation of the agreed actions and timetable and initiate preparations for the signing ceremony.

8. Attachments

Appendix 1: List of participants

Appendix 2: Minutes of the meeting

APPENDIX 1

LIST OF PARTICIPANTS

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APPENDIX 2

MINUTES OF THE INTERIM DAR ES SALAAM CORRIDOR MEETING HELD AT INTERCONTINENTAL LUSAKA ON FRIDAY, 5th SEPTEMBER 2003

1.0 Opening of the Meeting:

- 1.1 The meeting was chaired by Mr. Mbangu, Director of Planning in the Ministry of Communications and Transport of Zambia. He welcomed all delegates to the meeting and especially those who traveled from Tanzania and Malawi. He opened the meeting at 0940 Hours.
- 1.2 Mr. Mbangu proposed that the meeting be co-chaired by the Interim DCC Chairman – Mr. Samson Luhigo and himself. It was finally agreed that, Mr. Mbangu chair the meeting.

2.0 Objectives of the Meeting:

- 2.1 The meeting was specifically called to address issues raised by the Zambia Government on the proposed Dar es Salaam Corridor Committee. The issues or reservations raised in Ministry of Communications and Transport letter No. MCT/107/9/03 of August 5, 2003 are as follows:
 - (v) tonnage levy (esp. on Zambia copper)
 - (vi) levy on users of public transport infrastructure built with public/government funds;
 - (vii) effectiveness of the proposed DCC to bring about improvements while operating outside the mainstream government authority;
 - (viii) duplication of functions with other regional organs such as SADC and COMESA.
- 2.2 It was also called to go through the Draft Constitution.

3.0 Main Discussion:

3.1 Response from the Secretariat

The Secretariat pointed out that the issues raised by Government of Zambia were answered in letter No. MK/2/1/17 of September 2, 2003 addressed to the Permanent Secretary, Ministry of Communications and Transport. The letter clarified the issues as follows:

- (i) the establishment of corridor committees is in compliance with the provisions of the SADC Protocol on Transport, Communications and Meteorology prepared in 1996 and adopted by SADC member states in 1998;
- (ii) the main objective of establishing the Corridor Committees is to create a forum for public/private partnership with a view to improve performance of

the corridor and subsequently enhance the region's capacity to produce and trade more competitively in global markets;

- (iii) The corridor committees are expected to contribute positively to the above objective by creating added value in terms of reduction of transport costs and transit time;
- (iv) The public has a right to derive maximum benefits from public assets such as railways, roads and ports built with public funds. This can only be achieved if these assets are used efficiently;
- (v) The Committee, working in partnership with government institutions will not substitute but rather complement the work of other national institutions by deepening their understanding on the issues and therefore act as catalyst for quicker action and decision making;
- (vi) On sustainability, the determination of the best options was a subject of study by a consultant whose recommendations will have to be approved by the DCC and other relevant authorities. The tonnage levy was just one such option which was at this stage only a 'proposal'.

3.2 *Response from Zambia:*

A representative of the private sector reiterated that tonnage levy was going to impact negatively on transporters and the Zambian economy. He pointed out that the response from the secretariat still referred to levy on copper. He further stated that all corridor committees in the region were not working, and those which were working were only surviving on full support of their governments.

3.3 *Contributions from Interim Chairman, the HUB and USAID.*

Mr. Luhigo expressed thanks to the Zambia government for bringing up their concerns. He stated that views of everybody including the minority had to be taken into account for sustainability of the proposed Committee.

Mr. Luhigo then referred to the 1995 U.N. Resolution on Landlocked Countries and the recent meeting in Kazakhstan which among others agreed on formation of such Committees. The Corridor Committees were in this case seen as the grass-root level institutions in the hierarchy, which is structured as follows:

- (i) United Nations Organization
- (ii) Regional Level e.g. Economic Commission for Africa (ECA)
- (iii) Sub-regional Level e.g. SADC
- (iv) Corridor Level e.g. Dar es Salaam Corridor Committee.

Mr. Luhigo stated that while the role of SADC was to formulate policies and to coordinate the activities of the various corridors, Corridor Committees were more operational in the sense that they translate policy into actions. The need for coordination by SADC was necessary because each corridor has unique issues/problems/priorities. The Interim Chairman emphasized the need for

government involvement citing major infrastructural investments such as roads, railways and ports which needed financing by government. Finally, Mr. Luhigo stressed the importance of signing the Constitution soonest as a sign of commitment by the DCC Stakeholders. The issue of financing would be dealt at a later stage after the study on Sustainability was completed.

Mr. Kaombwe – the HUB Consultant explained that the crucial issue at this stage was whether the corridor stakeholders needed the Corridor Committee or not. In other words, do they see VALUE in the Committee or not. The Sustainability Study therefore should not be taken as a condition for setting up the Committee, but as one of the inputs to it.

The Consultant reminded members that studies conducted by SADC had revealed that transport costs constitute up to 40% - 50% of the costs of exports of some landlocked countries such as Malawi.

SADC felt that it was imperative to assist such countries to reduce transport costs and transit times to enable their exports compete in global markets. The Corridor Committees are tasked to make the corridors efficient and that is where their value and justification lies. It was therefore important that corridor members see and accept this VALUE. If this is not agreed, it may be difficult to convince donors to give support.

As to why the Secretariat was needed, Mr. Kaombwe explained that TCC suffered from lack of follow up and poor planning/marketing capability because there was nobody working on it on a full-time basis.

Mr. Sandamuka of USAID informed the meeting that he was not aware that there were corridor institutions which were not doing well in the region. He agreed to provide information on Trans Kalahari Corridor and the Northern Corridor Transit Authority which were doing quite well. Mr. Sandamuka also explained that following the restructuring of SADC approved by the Heads of States in their recent meeting in Dar es Salaam, SATCC will now be a directorate under SADC Secretariat and will be responsible more for policy formulation and monitoring.

3.4 *Financing of the Secretariat:*

It was in principle agreed that financing of the Secretariat by the Stakeholders will be shared 'equitably'. Payment modalities and methods of financing will be addressed by the consultant of the Sustainability Study whose recommendations will have to be discussed and agreed by members as provided for in the Constitution. No fees will therefore be imposed on any member before consultation and agreement.

3.5 *The Constitution:*

The Draft Constitution was again reviewed and a few minor amendments on Articles 6 (d) and 19(a) were made. Members were requested to table these amendments with their National Committees for final adoption. National

Committees were in turn requested to convince their Ministers on the importance of the Constitution.

3.6 *Signing Ceremony:*

It was agreed that the signing ceremony be held in Dar es Salaam on 30th September 2003 and that each country mobilize enough members to achieve the target 50% to enable the Constitution become effective. In order to succeed and stick to this deadline, it was agreed to adhere to the following timetable:

- Sept 5, 2003: Release Draft of the Constitution to the 3 Member countries. (This was done in Lusaka).

Agree on the Format of the Document itself. (This was also done in Lusaka).
- Sept 12, 2003: Feedback to the Secretariat from the 3 Governments on the Revised Draft Constitution.
- Sept 17, 2003: Final Constitution to be released to all members.
- Sept 29, 2003: Meeting of the Dar es Salaam Corridor Committee in Dar es Salaam.
- Sept 30, 2003: Signing Ceremony in Dar es Salaam.

It was noted that the 12th of September 2003 was a critical date. The feedback will enable Secretariat and HUB to send invitation to Chief Executive Officers and other dignitaries for them to attend the signing ceremony.

4.0 **Any Other Business:**

- 4.1 It was agreed that each country submit to the Secretariat and HUB the revised list of its members which will appear in the Constitution as Second Schedule. Malawi submitted her list at the meeting. The proposed members should be those who will be able to turn up at the signing ceremony.
- 4.2 The meeting also agreed to consider the inclusion of Police and Immigration in the list of members. A firm decision should be made by 12th September 2003 depending on response from these Government Departments.
- 4.3 Members were also requested to submit comments to the HUB on the TOR of the Corridor Sustainability Study by 12th September 2003.

5.0 Closing of the Meeting:

The Chairman expressed gratitude to all members who attended the meeting, their cooperation and clarifications made on the various issues raised by Zambia Government and Stakeholders. He was optimistic that the plans for launching the Committee would now be able to move in accordance with the agreed timetable. He appealed to members to deliver the same message to their higher authorities for approval.

The Chairman then declared the meeting closed at 1610 Hours.

Members thereafter proceeded to meet Mr. Ignatius Kashoka, Permanent Secretary in the Ministry of Communications and Transport of Zambia for briefing on the deliberations of the meeting.

F.H. Kinunda

Interim Secretary,

Dar es Salaam Corridor Interim Committee.

Date: 9th September 2003